

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 645** HLS 15RS 1018
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 17, 2015 4:23 PM	Author: CONNICK
Dept./Agy.: Department of Transportation and Development	Analyst: Alan M. Boxberger
Subject: Restricts the use of toll credits on certain highways	

HIGHWAYS OR SEE FISC NOTE SD EX Page 1 of 1
 Restricts the use of toll credits on certain highways

Proposed law requires DOTD to utilize toll credits generated by a tolled transportation facility solely for highway projects on or in the vicinity of the facility where the toll was collected. Proposed law specifies that toll credits are considered a supplemental funding source only to be used in the area where the toll credit is generated and not as a replacement for any other form of state transportation funding. Proposed law defines "toll credit" as a financing tool approved by the Federal Highway Administration that allows states to use federal obligation authority without the requirement of nonfederal matching dollars.

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total					\$0	\$0

REVENUES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. Proposed law requires DOTD to use toll credits generated by a tolled transportation facility solely for highway projects on or in the vicinity of the facility where the toll was collected. Proposed law would restrict the department's existing plans for using LA1 toll credits to fund the statewide highway priority program over the upcoming four fiscal years. Proposed law could potentially alter planned expenditures and/or projects within the Highway Priority Program over this time period and/or adjust the ratio of planned projects between the three highway capital outlay categories of preservation, safety and capacity in order to fully capture all available federal dollars. The LFO assumes that dollars currently obligated from toll credits (\$1.5M CCC and \$377k LA1) would not be impacted by proposed law. Proposed law is silent with regard to the intended definition of "projects on or in the vicinity of the facility."

Toll credits are generated for federally eligible work that was 100% financed with toll funds but that could have been financed with state and federal matched dollars. Toll credits are not cash, but a mechanism whereby the state may expend federal funds as the state match portion rather than a traditional state-federal match. Toll credits may be used on any federal-aid eligible highway or transit project in the state, which are generally allocated and funded through the highway priority planning process.

The state currently has two allocations of toll credits, \$26M in toll credits associated with the former Crescent City Connection Division and \$139.8M in credits associated with LA1.

Of the toll credits associated with CCC, \$1.5M is current committed to projects for US90 ramp improvements and reconfiguration of the existing toll plaza. DOTD reports it is working with the New Orleans Regional Planning Commission regarding the planned use of the remaining balance of \$24.5M on projects within the New Orleans Metropolitan Area.

Of the toll credits associated with LA1, \$377,000 is currently committed to several projects statewide (not associated with LA1 or projects in its vicinity). DOTD reports that it currently intends to use the remaining \$139.4M of available toll credits to reduce the need for state TTF to match federal funds in the highway priority program over the next several years. DOTD currently projects using these toll credits in the following amounts: FY16 - \$36.9M, FY17 - \$37.4M, FY18 \$36.1M and FY19 - \$29M. The existing toll credits are projected to be exhausted at the end of FY19. These toll credits would be used as match to fund the highway priority program under the existing plan, and not limited to a specific geographical region.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

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| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

Evan Brasseaux
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